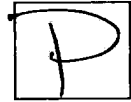


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

08-19-08A11:45 RCVD

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01653A
Park Valley Water Company, Inc.
P.O. Box 487
Show Low, AZ 85902

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

8-22-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Park Valley Water Company, Inc.

Mailing Address P.O. Box 487
(Street)

Show Low AZ 85902
(City) (State) (Zip)

928-537-1114 928-537-5060
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address vmac@citlink.net

Local Office Mailing Address Same as above
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Victoria McCarty President/CEO
(Name) (Title)

P.O. Box 487 Show Low AZ 85902
(Street) (City) (State) (Zip)

928-537-1114 928-537-5060
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address vmac@citlink.net

On Site Manager: Same as above
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Victoria McCarty

(Name)

1500 W. Deuce of Clubs Show Low AZ 85901
(Street) (City) (State) (Zip)

928-537-1114 928-537-5060
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Grant & Vaughn, PC
(Name)

6225 N. 24th Street/Suite 125 Phoenix AZ 85016
(Street) (City) (State) (Zip)

602-393-4322 602-393-4327
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input checked="" type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	238	0	238
303	Land and Land Rights	8,654	0	8,654
304	Structures and Improvements	2,320	1,817	503
307	Wells and Springs	151,773	23,824	127,949
311	Pumping Equipment	12,140	10,353	1,787
320	Water Treatment Equipment	3,510	3,510	0
330	Distribution Reservoirs and Standpipes	48,972	21,934	27,038
331	Transmission and Distribution Mains	858,402	79,910	778,492
333	Services	6,301	5,121	1,180
334	Meters and Meter Installations	42,276	11,141	31,135
335	Hydrants	6,708	2,715	3,993
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	14,982	3,070	11,912
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	45,000	10,499	34,501
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,201,276	173,894	1,027,382

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	238	0	0
303	Land and Land Rights	8,654	0	0
304	Structures and Improvements	2,320	2.45	57
307	Wells and Springs	151,773	2.97	4,508
311	Pumping Equipment	12,140	5.05	613
320	Water Treatment Equipment	3,510	4.30	0
330	Distribution Reservoirs and Standpipes	48,972	1.80	881
331	Transmission and Distribution Mains	858,402	2.20	18,885
333	Services	6,301	2.96	187
334	Meters and Meter Installations	42,276	3.82	1,615
335	Hydrants	6,708	1.94	130
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	14,982	5.14	770
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	45,000	3.33	1,499
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,201,276		29,145

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$128,415	\$134,860
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1,205	231
146	Notes/Receivables from Associated Companies	2,040	
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$131,660	\$135,091
	FIXED ASSETS		
101	Utility Plant in Service	\$532,772	\$1,201,276
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(144,749)	(173,894)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$388,023	\$1,027,382
	TOTAL ASSETS	\$519,683	\$1,162,473

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$510	\$482
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	38,114	63,468
236	Accrued Taxes	871	1,190
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$39,495	\$65,140
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	91,622	665,688
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	53,681	53,681
272	Less: Amortization of Contributions	(11,053)	(12,234)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$134,250	\$707,135
	TOTAL LIABILITIES	\$173,745	\$772,275
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$5,500	\$5,500
211	Paid in Capital in Excess of Par Value	1,028	1,028
215	Retained Earnings	339,410	383,670
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$345,938	\$390,198
	TOTAL LIABILITIES AND CAPITAL	\$519,683	\$1,162,473

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$203,307	\$219,705
460	Unmetered Water Revenue		
474	Other Water Revenues	9,770	6,852
	TOTAL REVENUES	\$213,077	\$226,557
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	12,704	16,288
618	Chemicals		
620	Repairs and Maintenance	24,489	12,011
621	Office Supplies and Expense	19,648	12,823
630	Outside Services	53,372	71,247
635	Water Testing	484	478
641	Rents	12,550	12,713
650	Transportation Expenses	3,444	6,678
657	Insurance – General Liability	846	3,086
659	Insurance - Health and Life	1,903	2,177
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		(1,181)
403	Depreciation Expense	13,448	29,145
408	Taxes Other Than Income	15,204	16,702
408.11	Property Taxes	4,902	4,393
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$162,994	\$186,560
	OPERATING INCOME/(LOSS)	\$50,083	\$39,997
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$3,015	\$2,738
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(211)	(42)
	TOTAL OTHER INCOME/(EXPENSE)	\$2,804	\$2,696
	NET INCOME/(LOSS)	\$52,887	\$42,693

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$59,768

Meter Deposits Refunded During the Test Year \$8,476

COMPANY NAME	Park Valley Water Company, Inc.
Name of System:	ADEQ Public Water System Number: 09-011

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-628642	20	110	550'	8"	2"	1959
55-552190	25	130	575'	8"	2"	1996
55-212186/ <i>In Progress Not yet in operation 2007</i>	50	250	500'	10"	4"	2006

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Show Low	350	0

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	1	50	
10	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
300,000	1	5,000	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Fools Hollow Water Company, Inc.
Name of System:	ADEQ Public Water System Number: 09-011

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Plastic	525
3		
4	Plastic	14,740
5		
6	Plastic	27,514
8	Plastic	10,701
10		
12	Plastic	6,443

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	633
3/4	3
1	22
1 1/2	3
2	1
Comp. 3	1
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

__None__

STRUCTURES:

__Two (2) Well Houses, One (1) Booster Station__

OTHER:

__Land 130' x 130', 30' x 50'__

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Park Valley Water Company, Inc.
Name of System: ADEQ Public Water System Number: 09-011

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	512	2,052	2,241	0
FEBRUARY	513	1,905	2,080	0
MARCH	516	2,180	2,378	0
APRIL	524	2,410	2,624	0
MAY	528	4,727	5,124	0
JUNE	540	4,715	5,092	0
JULY	550	4,583	4,955	0
AUGUST	545	4,910	5,342	0
SEPTEMBER	558	2,285	2,475	0
OCTOBER	602	3,339	3,632	0
NOVEMBER	590	2,349	2,558	0
DECEMBER	584	2,214	2,411	0
TOTALS →		37,669	40,913	0

What is the level of arsenic for each well on your system? _____mg/l

(If more than one well, please list each separately.)

55-628642 = <0.003 mg/l

55-552190 = .0041 mg/l

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes () No N/A – System is not chlorinated

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 7,307.25

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2006 TAX SUMMARY	
933-01-020 4	1020	5.9623	3.6610		PRIMARY PROPERTY TAX	5,127.34
ASSESSMENT					LESS STATE AID TO EDUCATION	0.00
VALUE IN DOLLARS					NET PRIMARY PROPERTY TAX	5,127.34
ACREAGE: .30					SECONDARY PROPERTY TAX	2,895.30
JURISDICTION					SPECIAL DISTRICT TAX	0.00
TAXES					TOTAL TAX DUE FOR 2006	8,022.64
TAXES						

2005 TAXES	2006 TAXES
522.80	535.68
4,166.02	4,170.30
1,254.00	1,277.73
1,540.37	1,626.88
82.51	86.00
79.78	74.91
24.74	34.40
5.06	4.94
161.95	168.81
41.26	42.99
359.53	0.00

JURISDICTION	TAX RATE	NET ASSESSED
02000 Navajo County	5.9623	98.27
07010 Show Low SD #10	5.9623	5,029.07
08150 North-Pio College	0	5,127.34
11204 Show Low FD	0	42.00
11900 Fire Dist Asst Fund	3.6610	18.34
13002 Show Low SLID	0	2,834.96
14900 Nav Co Library Dist	3.6610	2,895.30
15728 Navajo County FCD		
29999 Pub Health Svcs Dist		
30000 Northern Arizona VIT		
02001 County School Equal		

933-01-020 4

0019155 01 AV 0.293 **AUTO H8 1 0792 85902-048787

PARK VALLEY WATER CO
JAMES MCCARTY/PRESIDENT
P O BOX 487
SHOW LOW AZ 85902-0487

THIS IS A
CALENDAR YEAR
TAX NOTICE

0080301

SITUS ADDRESS:
NULL

LEGAL DESCRIPTION:
TOTAL VALUE OF OPERATING PROPERTY
209-37-002-F 4,680

This is the only notice you will receive.

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2007. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2006. Delinquent interest will be waived.

Make your check payable to and mail to:

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

TOTALS 8,022.64 8,238.02

This Statement:
May 31, 2007

ACCOUNT # 2001001301

4340	4/19/2007	\$ 43.00	DOLLARS
Victoria McCarty			
00000004500			

00 Ch# 4340

4349	4/28/2007	\$ 30.61	DOLLARS
Victoria McCarty			
00000003061			

61 Ch# 4349

Park Valley Water Co., Inc. P.O. Box 487 Show Low, AZ 86080-0487 (928) 537-1114	THE STOCKHOLDERS BANK 91-5041221	4351
PAY TO THE ORDER OF Navajo County Treasurer		
\$ 4011.32		
Four Thousand Eleven and 32/100 DOLLARS		
Navajo County Treasurer P.O. Box 668 Holbrook, AZ 86023		
Victoria McCarty		
Permit #013-01-070 & 020		
0004351 0122105045 2901001301 00000401132		

Processed 05/04/07 \$4011.32 Ch# 4351

4352

Park Valley Water Co., Inc. P.O. Box 487	THE STOCKHOLDERS BANK 91-5041221	4353
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PARCEL #	AREA CODE	VALUE IN DOLLARS	ASSANT %	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2007 TAX SUMMARY
933-01-020 4	1020	4,7516	4.3772				
ASSESSMENT							
LIMITED LAND, BLDGS, ETC	6,740	24.0		4.7516		78.84	PRIMARY PROPERTY TAX 4,162.36
LIMITED PERSONAL PROPERTY	358,260	24.0		4.7516		4,085.52	LESS STATE AID TO EDUCATION 0.00
LIMITED TOTALS	365,000					4,162.36	NET PRIMARY PROPERTY TAX 4,162.36
FULL CASH LAND	4,680	24.0		4.3772		49.16	SECONDARY PROPERTY TAX 2,386.10
FULL CASH BUILDINGS, ETC	2,060	24.0		4.3772		21.83	SPECIAL DISTRICT TAX 0.00
FULL CASH PERSONAL PROPERTY	358,260	24.0		2.6928		2,315.32	TOTAL TAX DUE FOR 2007 6,548.46
FULL CASH TOTALS	365,000					2,386.10	

2006 TAXES	2007 TAXES
535.68	529.19
4,170.30	2,581.86
1,277.73	1,244.43
1,626.88	1,765.30
86.00	87.59
74.91	75.69
34.40	43.80
4.94	4.85
168.81	171.95
42.99	43.80

This is the only notice you will receive.

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

THIS IS A
CALENDAR YEAR
TAX NOTICE



933-01-020 4

0027135 01 AV 0.312 **AUTO T4 3 0792 85902-048787



PARK VALLEY WATER CO
JAMES MCCARTY/PRESIDENT
P O BOX 487
SHOW LOW AZ 85902-0487

PAGE 01 OF 02

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

PAYMENT INSTRUCTIONS

To pay the 1st half installment and tax notices under \$100, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2007. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2008. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

Make your check payable to and mail to:

TOTALS 8,022.64 6,548.46

PV Operating Property

PARCEL #	AREA CODE	VALUE IN DOLLARS	ASSMT %	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2007 TAX SUMMARY
933-01-070 9	1070	4.7516	4.7516	4.2908			PRIMARY PROPERTY TAX 11.40
ASSESSMENT							LESS STATE AID TO EDUCATION 0.00
LIMITED LAND, BLDGS, ETC	1,000	240	24.0	0	0.0000		NET PRIMARY PROPERTY TAX 11.40
LIMITED PERSONAL PROPERTY	0	0	0.0	0	0.0000		SECONDARY PROPERTY TAX 10.30
LIMITED TOTALS	1,000	240	24.0	0	4.2908		SPECIAL DISTRICT TAX 0.00
FULL CASH LAND	1,000	240	24.0	0	2.6064		TOTAL TAX DUE FOR 2007 21.70
FULL CASH BLDGS, ETC	0	0	0.0	0	0.0000		
FULL CASH PERSONAL PROPERTY	0	0	0.0	0	0.0000		
FULL CASH TOTALS	1,000	240	24.0	0	0.0000		

2006 TAXES	2007 TAXES
1.54	1.45
11.88	10.33
3.64	3.41
4.63	4.84
0.25	0.24
0.10	0.12
0.74	0.72
0.48	0.47
0.12	0.12

0082649

STATUS ADDRESS:
NULL

LEGAL DESCRIPTION:

TOTAL VALUE OF OPERATING PROPERTY
209-36-073 500 209-36-074 500

This is the only notice you will receive.

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668THIS IS A
CALENDAR YEAR
TAX NOTICE

TOTALS 23.38 21.70



933-01-070 9

0027135 01 AV 0.312 **AUTO T4 3 0792 85902-048787

PARK VALLEY WATER CO
JAMES MCCARTY/PRESIDENT
P O BOX 487
SHOW LOW AZ 85902-0487

PAGE 02 OF 02

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR

PARCEL NUMBER
ON YOUR CHECK.Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

PAYMENT INSTRUCTIONS

To pay the 1st half installment and tax notices under \$100, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2007. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2008. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

Make your check payable to and mail to:

000000729 50 #10E9D0F0H? 25705092298

Processed 11/29/07	\$246.26
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2

Part Valley Water Co., Inc.
P.O. Box 487
Show Low, AZ 86022-0487
(928) 637-1114

NAVJO COUNTY TREASURER
NAVJO COUNTY
P.O. Box 6618
MOENKOPF, AZ 86025

Parcel #933-01-070 & 020
\$004,574.⁰⁰
\$223,050.⁵⁰
\$290,100.¹³

THE STOCKHOLDERS BANK
81-0847221

4574

10/31/2007

\$ 3,295.93

Three Thousand Two Hundred Ninety-Five and 93/100ths Dollars and 93/100ths Cents

DOLLARS 02

Victoria McCoy

Processed	11/07/07	\$3295.93	Ch# 4574
-----------	----------	-----------	----------

Q. Now, you said that you were not sure whether the person was a man or a woman, is that correct?

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Navajo
NAME (OWNER OR OFFICIAL) TITLE	Victoria McCarty, President/CEO
COMPANY NAME	Park Valley Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

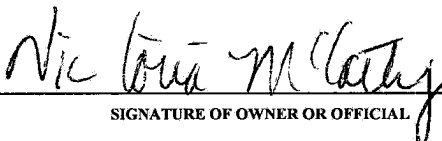
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
928-537-1114

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

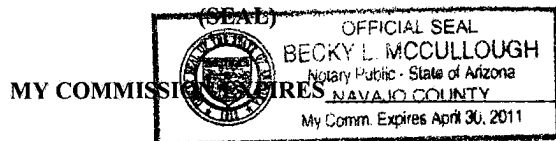
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

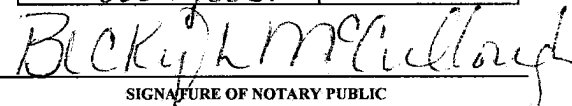
THIS

15

DAY OF

COUNTY NAME	Navajo
MONTH	August
YEAR	2008





SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Park Valley Water Company, Inc. YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Victoria McCarty
SIGNATURE

8/15/08
DATE

Victoria McCarty
PRINTED NAME

President/CEO
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Navajo</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Victoria McCarty, President/CEO</u>
COMPANY NAME <u>Park Valley Water Company, Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>226,557.02</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 16,702.45
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Victoria McCarty
SIGNATURE OF OWNER OR OFFICIAL
928-537-1114
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15 DAY OF

COUNTY NAME <u>Navajo</u>	
MONTH <u>August</u>	<u>2008</u>

MY COMMISSION EXPIRES

(SEAL)

OFFICIAL SEAL
BECKY L. MCCULLOUGH
Notary Public - State of Arizona
NAVAJO COUNTY
My Comm. Expires April 30, 2011

Becky L McCullough
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Navajo	
NAME (OWNER OR OFFICIAL) Victoria McCarty	TITLE President/CEO
COMPANY NAME Park Valley Water Company, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>202,283.80</u>

**THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 15,157.25
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Victoria McCarty

SIGNATURE OF OWNER OR OFFICIAL

928-537-1114

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

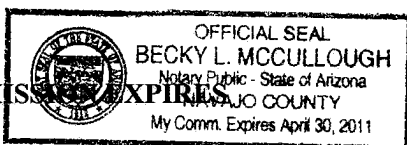
15

DAY OF

NOTARY PUBLIC NAME <i>Becky L. McCullough</i>	
COUNTY NAME Navajo	
MONTH <i>August</i>	<i>2008</i>

(SEAL)

MY COMMISSION EXPIRES



X *Becky L. McCullough*

SIGNATURE OF NOTARY PUBLIC